



U.S. Department
of Transportation
**Federal Aviation
Administration**

Memorandum

Subject: **ACTION:** Review of Open Obligations

Date:

From: Acting Manager, Financial Management Division, ACX-30

Reply to
Attn. of:

To: William J. Hughes Technical Center Staff, Offices, Divisions, and
Straight lined Organizations, including AAR, ACT-8, AOS,
ATB, ATQ, TSL, and FAMS

As the FAA is required to review unexpended obligations semi-annually, our 1st review for FY 2004 is to be performed on open documents through May 31st. These reviews are critical to assuring fund balance integrity and the validity of accounting records for financial statement purposes. As always, reviews should be conducted on all open obligations including those from previous cost centers.

During the review process, primary attention should be focused on validating unexpended funds on purchase and delivery orders, contracts, agreements, grants, and also on Permanent Change of Station (PCS) obligations. Special attention should be focused on documents citing funds that are canceling this September 30, which are the 901, 988, and 982A appropriations. Effort should be applied to ensuring all proper invoices are submitted, approved, and paid by September 30 on awards citing these funds, as valid invoices received for those documents after that date will be paid from FY-05 appropriations.

If any obligations are determined to be no longer necessary, you should take the appropriate action to de-obligate the funds. Contracts and purchase orders must be closed out via Prism. All other de-obligation documents are to be directed to accounting, ACX-32. You are reminded that a proper un-liquidated obligation should not be de-obligated unless there is a valid reason to do so. Absent a valid reason, it is improper to de-obligate the funds solely to utilize them for a new obligation. To do so risks violating the Anti-Deficiency Act.

To complete the review, please utilize the Department of Transportation official accounting system, "Delphi". There are several report options available to assist with the open document review such as MG12017 and GL00058.

Please submit a memorandum confirming completion of the review, along with an annotated copy of the Delphi report utilized by your organization, to the Financial Management Division, ACX-30 by July 30. A consolidated organizational response is required. If you have any questions concerning the review of your obligations, please contact Jon Fine, ACX-32, at extension 5-6161.

Michael J. Chappine

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